

Skills Shortage and the End of Retirement

BY JIM CARROLL

One of the most challenging issues that organizations will face through the next decade will be an increasing inability to access the staff and skills necessary to effectively run the business, and it is critical that associations do what they can to minimize the challenges. Several reasons exist.

Baby Boomers

A lot of specialized expertise is set to exit our economy as baby boomers begin to retire. In the area of health care, it is expected that we will see a shortage of up to 400,000 nurses in the US by 2010. This will be happening just as those same aging baby boomers begin to place additional demands on the health care system as they age.

That type of reality is in every industry and profession. The US Bureau of Labor Statistics, for example, estimates that over the next 10 years, demand for electricians will outstrip supply by 23% (or 154,000 workers). Every organization will soon find themselves in a situation in which they are unable to access and find the talent they need to get the job done.

Gen-Y Brings Attitude

You may find that the potential pool of replacements known as Gen-Y might not want to work for you on a long term basis. Gen-Y is the generation born between the years 1977 to 1999, and at this point, they make up almost one-fourth of the entire population. They are the first generation to grow up with computers and the Internet. They've mastered Nintendo and Xbox from an early age and have never known a world with less than a few hundred TV channels.

That brings a unique challenge: an entire generation of workers who can become extremely bored, extremely quickly! Because they are used to a world in which they can be doing multiple things at once, and which their minds are always very active, they'll come to expect the same degree of heightened stimulation in the workplace. They'll have to be provided with a regular stream of new projects and varied assignments and responsibilities. Also, they will need multiple different jobs and careers throughout



their lifetime. During a seminar on change a few weeks ago, I pulled out a statistic that indicated that newly graduated consulting engineers thought that a two- to five-year range was a long-term job!

Specialized Skills

We live a world of rapid knowledge growth and hyper-innovation, which is leading to big increase in the specialization of every skill and every career.

We live in a time of furious knowledge growth; according to a recent study out of the University of California (Berkeley) we now produce as much new information every six months as was produced in the first 300,000 years of human existence. It is estimated that medical knowledge is doubling every eight years. Half of what students learn in their freshman year about science and technology is obsolete or revised by their senior year.

Obviously, no one can be expected to know everything that is required of them — and everyone is becoming a specialist. The simple laws of supply and demand suggest that it will become more difficult for organizations to access any specialized skill that they might need. Every profession and every job is being sliced and diced into multiple sub-categories. Organizations will have to access ever more rarified and specialized talent.

Associations Should ...

First and foremost, recognize the importance of the issue. Start watching your

industry or marketplace for signs as to the potential emerging shortages, and take the time to understand how your members might be impacted. Figure out a plan involving professional education, skills upgrading, and role evolution that will help you deal with these challenges.

Second, watch for signs of innovative practices of dealing with potential shortages, particularly with respect to baby boomers. Of particular note is the fact that Home Depot recently formed a partnership with AARP to recruit and hire workers for 1,700 stores. Determine what you might need to do to encourage and assist with innovative hiring practices throughout your membership base.

Third, recognize that many baby boomers might want to continue working in some capacity beyond their official retirement date, a fact which might help ease a potential skills issue. A Towers Perrin survey of 2000 workers found that that 78% want to continue working in some form in their retirement years. Start a dialog within your association, and determine what you might be able to plan for.

Fourth, realize that Gen-Y are unlikely to subscribe to a corporate work philosophy that states that they must come to a certain location every day to do something. This generation "gets" the benefit of workplace connectivity and will be looking for organizations that support unique work models involving various methods of location-insensitive working arrangements. Start educating your membership now on such issues.

Finally, come to understand that the very nature of your association will likely change. Today, if organizations require particular skills or capabilities, they hire an employee. Tomorrow, with increasing specialization, you will find that your members are hiring an increasing number of specialized skills on a contractual, itinerant, temporary basis. It really doesn't matter, for many situations, where this talent is located. After all, will you really know who your members are in the future, and where they will be located? ▮

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